

[20 March, 2001]

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liberalise FDI regime and revive foreign investors's confidence in the country;

(c) whether this proposal mooted by the Indian industry has been forwarded to both the Power and Finance Minister for their consent; and

(d) if so, by what time a final decision in this regard is likely to be taken?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH): (a) to (d) As per the current policy Foreign Direct Investment (FDI) upto 100% is permitted in generation, transmission and distribution of electric energy in atomic power plants. At present, FDI is not permissible in power trading. Government constantly reviews the role of foreign investment with the objective of further refining it and enhancing India's attractiveness as an investment destination and also to supplement the domestic investment as per sector specific requirements. Any further liberalisation in the sector-specific FDI policy is formulated in consultation with and based on the recommendation of the concerned administrative Ministries.

Share of agricultural produce out of total imports

2578. SHRI RAMDAS AGARWAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether Government are aware that farmers in country are feeling agitated over lifting of quantitative restrictions on imports of agricultural produce, as reported in the Hindustan Times dated 24th February, 2001;

(b) whether actual import of agricultural produce had come down from Rs. 12,058 crore in 1998-99 to Rs. 11,510 crore in 1999-2000 and also percentage share of farm imports out of total imports came down from 7.05 per cent in 1998-99 to 5.63 per cent in 1999-2000; and

(c) what remedial steps Government have taken to allay farmers' fear under WTO regime as Indian farm products are not globally competitive?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (SHRI OMAR ABDULLAH): (a) to (c) Government's attention has been drawn to the news report which appeared in the Hindustan Times dated 24.02.2001, regarding apprehensions of farming community about the likely impact of removal of import restrictions on agricultural products.

As per provisional import data available with the Government, it is a fact

that the actual import of agricultural products has come down during the year 1999-2000 as compared to 1998-99. This is also a fact that the share of agricultural products in the total imports of the country has come down from 7.06 per cent to 5.63 per cent during the same period.

As can be seen, from the import figures above, there is no overall threat to the domestic farmers from imports. However imports are being closely monitored and the Government is determined to ensure through appropriate use of tariff and other mechanisms that imports do not cause any serious detriment to the domestic farmers. Towards that end, import duties on a number of items, where increases in imports were noticed, have already been increased. In the budget for the year 2001-2002, the customs duty on coconut, copra, tea and coffee has been raised from 35 per cent to 70 per cent. The import duty on various refined edible oils excepting soyabean oil has been raised to 85 per cent, similarly, the import duty on various crude edible oils excepting soyabean oil has been raised to 75 per cent with a concession of 20 per cent on the imports of crude palm oil made by sick vanaspati units.

Creation of facilities for foreign investment

2579. SHRI VED PRAKASH P. GOYAL: Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether it is a fact that during the last 10 years, when the process of liberalisation was started, only 33 per cent of the approved Foreign Direct Investment have actually been invested in India;

(b) if so, what are the findings of Government in this regard;

(c) whether it is also a fact that money is diverted to other countries by the investors due to lack of facilitation process and difficulties in implementation stage; and

(d) if so, the steps taken by Government to improve the situation in this regard to the results achieved so far?

THE MINISTER OF STATE IN THE MINISTRY OF COMMERCE AND INDUSTRY (DR. RAMAN SINGH): (a) to (d) Foreign investment is dependent on several factors such as domestic economic conditions; policy regime governing foreign investment; world economic trends and strategy of global investors. To facilitate speedy implementation of FDI projects and to remove